



Aggregation Fact Sheet from the Public Utilities Commission of Ohio

What is aggregation?

One option you may consider when choosing an electric or natural gas supplier is becoming part of a group that buys electricity or natural gas for its members. An aggregator is a person or organization that brings a group of customers together. A large buying group may be able to get a better price for the group members than you could get on your own. This “buying power” may also allow aggregators to negotiate for additional benefits for the group’s members such as consolidated billing, energy management services and energy use analysis.

Buying groups may be formed by existing organizations, or new groups may be formed solely for the purpose of buying electricity or natural gas for their members. Ohio’s law also allows for local government aggregation by cities, townships or counties, with "opt-in" or "opt-out" provisions for their consumers. All aggregators must be certified by the PUCO to make sure they are qualified to provide electricity or natural gas in Ohio.

For a map of Ohio communities with electric government aggregations, visit:
<http://www.puco.ohio.gov/pucogis/agg/electric.cfm>

For a map of Ohio communities with natural gas government aggregations, visit:
<http://www.puco.ohio.gov/pucogis/agg/gas.cfm>

Government aggregation

“Opt-in” aggregation is a program that permits each resident to sign up individually to participate. “Opt-out” aggregation is a program that automatically enrolls all local residents, unless they individually opt-out of the program and choose not to be included. If the local government chooses opt-in aggregation, it must pass a resolution in support of the program, develop a plan and hold two public hearings. It must also be certified by the PUCO before signing up customers. The plan must include all rates and terms for customers to consider when deciding to join.

If the local government chooses “opt-out” aggregation, a number of additional requirements must be met, including the following:

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- First, a majority of voters must authorize opt-out aggregation in an election.
- If authorized by a majority vote, the local government must form a plan of operation and management. They must also hold at least two public hearings to allow consumers to voice any concerns over the proposed plan.
- Once the local government has adopted the plan, each consumer that is to be aggregated must be notified that they will be automatically enrolled in the program unless they specifically elect not to participate. This notification must also state the rates, charges, and other terms and conditions of enrollment in the program.
- The local government must allow anyone enrolled in the program an opportunity to opt-out. For natural gas aggregation consumers the opt-out is available every two years without paying a switching fee. For electric aggregation consumers, the opt-out is every three years without paying a switching fee.

Some things to consider about government aggregation:

- Consumers in an area where government aggregation has been approved will not need to sign a contract; they are automatically enrolled unless they opt-out.
- Those who do not explicitly opt-out and are in a government aggregation area are automatically included in the municipality's aggregation. If these consumers do not opt-out and then choose a new supplier, they remain customers of the government aggregation.
- Consumers in an area with government aggregation who want to remain with their local utility will need to opt-out of the aggregation program and switch to their local utility.

Choosing a buying group

When deciding to join an “opt-in” government aggregation or deciding whether or not to stay in an “opt-out” government aggregation, here are some things to consider:

- The goal of the buying group—will the aggregator be looking for the lowest price, sources used to generate the energy or additional services when finding a supplier?
- Number of group members—larger groups will usually have better “buying power.”
- Length of the contract—how long is the contract, and how will it be renewed?
- Terms and conditions—be sure you read and understand them, including membership requirements, how you will be billed, and any fees.

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Eligibility

For both natural gas and electric aggregation, customers already enrolled in the Percentage of Income Payment Plan (PIPP Plus) are not eligible. PIPP Plus is an extended payment arrangement based on a percentage of the household income for those customers who are at or below 150% of the federal poverty income guidelines.

For natural gas and electric aggregation, the only other customers who are not eligible to participate are those that are already under individual contracts with suppliers as part of a customer choice program. These customers will not appear on eligible customer lists provided to the governmental aggregator or the governmental aggregator's chosen supplier, and they should not receive the "Opt-Out" notice.

It's important to note that if you recently switched to a new supplier and your community aggregates, there is a possibility that your name was not removed from the eligibility list. You should return the opt-out notice if you do not wish to be switched to the aggregation's supplier. That is a decision for you to make. You will want to talk to your chosen supplier if you are considering switching to the aggregation's supplier to find out if there are penalties for early cancellation of the contract.

What should I do?

Determine if you would like to stay with the supplier you have chosen or would like to join the governmental aggregation. The important thing to remember is that this process is time-sensitive. If you wish to stay with your supplier, you must opt-out of the governmental aggregation. To do so, watch your mail for your opt-out notice. With all governmental aggregations, customers usually have 14 to 21 days to respond. All customers within a governmental aggregation will receive this notice with directions on how to opt-out. Do not discard the notice.

If you miss the opt-out deadline, you will still have one more opportunity to remove yourself from the governmental aggregation. Once the switch is scheduled to take place, customers will receive a notice from their local electric or natural gas utility stating that they are scheduled to be switched over, as well as the name of the supplier to which they will be switched. This notification will give the customer seven days from the postmark on that notice to contact the local utility if the information is not correct, or they wish to opt-out of the aggregation.

Customers who are not interested in aggregating with their local municipality can sign-up with the PUCO's Do Not Aggregate list by calling the customer service line at 800-686-PUCO. For questions regarding the governmental aggregation or the Opt-out procedures, contact your local government or the supplier chosen to represent your community.

For more information about customer choice, choosing an energy supplier or aggregation, visit the PUCO's website: www.energychoice.ohio.gov.